



## Missing the Bus: States Fail to Connect Economic Development & Public Transit

Good Jobs First released a 50-state study which finds that not one single state coordinates its economic development spending with public transportation. It also finds that 46 states fail to even collect data on subsidized corporate relocations and therefore cannot determine if their economic development incentives are undermining job access for low-wage workers.

The study -- *Missing the Bus: How States Fail to Connect Economic Development with Public Transit* was released at a press conference at noon on Thursday September 11<sup>th</sup> in Atlanta, in association with Rail-Volution, an important annual gathering of transit advocates and practitioners from throughout the U. S. who are dedicated to building livable and equitable communities by integrating land use, transportation planning, and economic development.

The following is an Executive Summary of the study findings:

A 50-state survey of economic development subsidy programs - such as loans, grants, and tax incentives - reveals that not one single state effectively coordinates its economic development spending with public transportation planning. That is, according to the state officials who administer them, no state has a policy

"Our findings are deeply troubling," said Greg LeRoy, executive director of Good Jobs First. "They suggest that states are not really serious about making sure their economic development programs benefit all people, including low-wage workers who cannot afford a car. They also suggest a wasteful lack of coordination between state development and transportation agencies."

or even a small cluster of subsidies that either requires or encourages companies that receive subsidies in urban areas to locate the projects at locations accessible by public transportation.

A small number of states have transit-oriented development programs, but funding for them comes predominantly from federal transportation programs that require matching funds from state and local transportation agencies, not state development programs. And some state subsidies, by virtue of their eligibility rules, go to projects in core urban areas that are likely to be served by transit, but the overlap is de facto, not intentional.

This lack of connection between economic development and public transit is remarkable given how many programs and dollars are involved. The 50 states have an estimated total of more than 1,500 development subsidy programs. Many are locally

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# Notes from the Top



First, the LaDOTD Public Transportation staff would like to wish all of you a safe and happy holiday season.

For all of those who attended the 16<sup>th</sup> Annual DOTD/LPTA Public Transportation Conference, I hope you came away with new information and ideas... and a few good memories. For those of you who missed the Conference, here is a quick recap (and a few pictures on page 8) so you'll know what to look forward to next year.

Two of the main topics of the Conference were issues you will all hear more about in the future: 'Safety & Security' and 'Coordination.' There is an article in this issue of the newsletter talking about the session and upcoming events focused on Safety & Security, so I won't spend much time on that issue. The LaDOTD PT Staff and consultants are working to create a new Statewide Standard to address Safety & Security issues. The document should be ready sometime in the first quarter of 2004 and training will be held shortly thereafter.

The second topic, coordination, is also the focus of an article in this newsletter. LaDOTD, along with our other state funding partners like the Department of Social Services, Department of Health and

Hospitals, Governor's Office on Elderly Affairs, Department of Labor, and others are working to make funding transportation in Louisiana a more unified effort. Several of our State partners were on-hand at the conference to answer questions and provide input.

FTA was in attendance at the Conference and they came bearing gifts, or at least awards! Peggy Crist from the Region 6, Fort Worth, office of the FTA gave out three awards:

✓ Webster Parish OCS was given an award for the "Highest Transit Passenger Ridership in Louisiana Section 5311 Non-Urbanized Area Transit Program for FY 2003."

✓ Good Earth Transit in Terrebonne Parish was given an achievement award for the "Highest Percentage Growth in Transit Passenger Ridership in Louisiana Section

5311 Non-Urbanized Area Transit Program (Over 10 Vehicles) for FY 2002-2003."

✓ Humanitarian Enterprises in Lincoln Parish was given an achievement award for the "Highest Percentage Growth in Transit Passenger Ridership in Louisiana Section 5311 Non-Urbanized Area Transit Program (Under 10 Vehicles) for FY 2002-2003."

This years 'night event' was especially entertaining. Conference attendees were treated to dinner, dancing and a boat cruise on Alligator Bayou. Everyone got a chance to see some of Louisiana's special creatures, and some got to see one



up close and personal. The event was a huge success!

On another note, we would all like to congratulate Kay Ryall in our office on her promotion to Intermodel Program Specialist. She's been doing the job for some time and it is now official.

If you want more information on any of the topics presented in the newsletter, please feel free to contact our staff at (225) 274-4302. If you would like to contribute to future issues of the newsletter, please contact Wanda Walker.

## **ANNOUNCEMENTS**

### **New Committee Formed**

The Vehicle Specification Committee, comprised of professionals from across the state,

held its first meeting on December 10-11, 2003. The committee reviews and makes recommendations on vehicle specifications. Thanks for all your hard work.

### **Louisiana TTAP Library**

The library listing is on our website at [www.dotd.louisiana.gov](http://www.dotd.louisiana.gov) or you can contact Wanda Walker. You can borrow training resource material for up to three weeks.

### **NEW LaDOTD Address**

Starting with the new year, all DOTD email addresses and the website will have a new suffix. The names before the @ sign will remain the same. The new email addresses and website will follow this format:

[PublicTransportation@dotd.louisiana.gov](mailto:PublicTransportation@dotd.louisiana.gov)  
[www.dotd.louisiana.gov](http://www.dotd.louisiana.gov)

## **Events Calendar**

### **Upcoming APTA Conferences:**

General Managers and Transit Board  
Members Seminar and Board Support  
Workshop  
January 30-February 3 Santa Monica, CA

Legal Affairs Seminar  
February 1-3 San Diego, CA

TransITech Conference  
February 18-20 Houston, TX

Marketing & Communications Workshop  
February 22-25 San Diego, CA

Fare Collection  
March 21-25 Atlantic City, NJ

For more information on APTA  
conferences, please visit:  
[www.apta.com/conferences\\_calendar/](http://www.apta.com/conferences_calendar/)

### **Other Upcoming Conferences/Training:**

TRB Annual Meeting  
January 11-15 Washington, D.C.  
<http://gulliver.trb.org>

National Transporting Students with  
Disabilities & Preschoolers  
March 5-10 Atlanta, GA  
[www.eduprogroup.com](http://www.eduprogroup.com)

FTA Substance Abuse Training Sessions  
January 13 Salem, OR  
January 15 Sacramento, CA  
February 12 Pensacola, FL  
March 16 Nashville, TN  
March 18 Mandeville, LA  
April 20 Seouxs Falls, SD  
May 4 Flint, MI  
May 17 & 18 Brooklyn, NY  
<http://transit-safety.volpe.dot.gov/Training/655Seminars/default.asp>

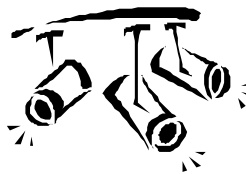
### **24TH ANNUAL SWTA CONFERENCE**

January 25-27 Baton Rouge, LA  
Hosted by CTC & DOTD Public Tran.  
For more information, please visit:  
[www.swta.org](http://www.swta.org)

NTI Courses:  
Management of Transit Construction  
Projects  
January 6-8 Orange, CA

Comprehensive ADA Paratransit  
Eligibility  
April 28-30 San Jose, CA  
[www.ntionline.com](http://www.ntionline.com)

Transportation Safety Institute Classes  
Courses are offered around the country  
on various topics throughout the year.  
For more information, please visit:  
[www.tsi.dot.gov](http://www.tsi.dot.gov)



Spotlight on...

## Public Transportation Coordination Meeting in Rayville, LA

On September 18, 2003, folks from all over Northeast Louisiana gathered at the civic center in Rayville, Louisiana. There were citizens from nine parishes, a State Representative from Lincoln Parish as well as a representative from Congressman Alexander's office. The local press was also in attendance. They were gathered together to talk about public transportation services in Northeast Louisiana.

The main message was one of coordination. Carol Cranshaw and Laura Pease were the two main speakers. Ms. Cranshaw is the Administrator of the Louisiana Department of Transportation and Development Public Transportation Section (LaDOTD) and Ms. Pease is the Family Support Services Manager at the Louisiana Department of Social Services (DSS). Both had additional state staff members present to answer questions and LaDOTD brought their on-call consultant from Alliance Transportation Group, Inc.

Since the mid 1990's, the State of Louisiana has been pushing coordination of state funds for transportation services. Several state agencies provide funding for various transportation services. LaDOTD provides funding for several types of transportation providers: rural, elderly & disabled, urban, and job access/reverse commute (JARC). DSS provides fund-

ing to transportation providers through the new STEP Program, which is replacing the Find Work Program. There are also transportation related funds that come from the Governor's Office on Elderly Affairs, which go primarily to either Council's on Aging or Area Agency's on Aging throughout the state. The Louisiana Department of Health and Hospitals (DHH) provides another funding source for non-emergency medical transportation services.

Each of these State Agencies is a member of the Inter-Agency Transportation Coordination Committee (IATCC). The IATCC was formed through Governor's Executive Order to push coordination of transportation funds. Each of these funding sources is spread across the state to various local transportation providers. There have been several barriers to coordinating all of these funding sources... slowly however, those barriers are being broken down. In recent years, DSS Find Work funds have been used as matching funds for the LaDOTD JARC program.

The meeting in Rayville is an attempt to offer an area in need of rural public transportation services a chance to benefit from this new coordination. LaDOTD and DSS offered to assist Northeast Louisiana in creating a truly coordinated rural public trans-

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# LADOTD/LPTA Conference Focuses on Public Transportation Safety & Security Issues

Those of you who attended the 16<sup>th</sup> Annual Public Transportation Conference in Baton Rouge got a preview of an issue that has been steadily growing in importance since 9-11: Safety & Security. There were sessions during last year's conference, but this year focused on state and local provider planning for Safety & Security (S&S) issues.



Anne Ladner introduces Amy Ostrander and Al Hartkorn.

The Federal Transit Administration has been placing more emphasis on the S&S issue during the last year also. FTA has a section of its website dedicated to S&S issues. The site contains old and new material on S&S. They have a listing of "FTA Top 20 Security Action Items," best practices and guideline manuals, etc.

In response to 9-11 and FTA's increasing emphasis on S&S, LaDOTD invited two experts on S&S to this year's conference. They gave a two-hour presentation on S&S. Amy Ostrander, President of Ostrander Consulting, gave participants an hour-long introduction to FTA's S&S initiatives and what that may mean for all of us in the future. Albert W. Hartkorn, A.P. C., President of Transit Safety Consulting



Amy Ostrander presents material on FTA Safety & Security.



The Safety & Security Session was well attended.

Services, Inc., focused on what is involved in developing a statewide S&S standard and a local provider plan.

Mr. Hartkorn's presentation was particularly poignant since LaDOTD has hired him, through their on-call consultant contract with Alliance Transportation Group, Inc., to develop a Louisiana Statewide S&S Standard and a model plan for providers to use when developing their own plan. Mr. Hartkorn will also be giving a series of three workshops throughout Louisiana in Spring 2004 to introduce the new standard and model plan. Mr. Hartkorn's emphasis during his presentation and during development of the standard is on creating a 'Do-able' plan.



Al Hartkorn talks about the new Louisiana Statewide S&S Standard.

You will be hearing more about this during the upcoming months.

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administered and/or bundled with local subsidies; total state and local spending for economic development was estimated at \$48.8 billion as of 1996 and is believed to be higher today. State spending for public transportation totaled \$11.6 billion in 2001; federal spending for public transportation, which flows through state and regional bodies, totaled \$7.3 billion in 2001.

The 50-state survey also finds that only four states - Ohio, Minnesota, Maine and Connecticut - have any kind of system to collect even fragmentary data on corporate relocations that receive economic development incentives. In other words, only four states collect data that could help them determine if their economic development programs are reducing or increasing access to jobs for workers who cannot afford a car, or if they are harming or improving commuter choice when jobs get relocated.

These are troubling findings, given the sprawling patterns of development in most major metro areas that have created a "spatial mismatch" between core areas (inner cities and inner-ring suburbs with high concentrations of unemployment and poverty) and newly developing areas (job-rich outer-ring suburbs and exurbs). Thinly distributed in auto dependent areas, these outer-ring jobs are typically not accessible or poorly accessible by transit systems that were originally created to transport workers to the core. Sprawl effectively cuts central city residents off from regional labor markets, exacerbating the concentration of poverty in core areas. In some cases (see our case study here), subsidized corporate relocations actually take transit-accessible jobs off the public transit grid.

Although the survey - which involved more than 170 officials in the 50 states - finds that no state coordinates development incentives to

transit, some of the officials interviewed thought it a useful idea. Many acknowledged that there is seldom any coordination between economic development planning and transit planning and said they consider it an omission. Regional planning bodies, such as Metropolitan Planning Organizations (MPOs), sometimes undertake comprehensive planning exercises, where the relationship between economic development, transportation and other land use issues are addressed, but economic development subsidy programs are usually missing in such discussions.

In a handful of states, there are incidental connections between subsidies and access to transit. California is the best example; some cities there use Enterprise Zone, Community Development Block Grants and other incentive funds to match federal transit dollars for promoting jobs and development adjacent to transit hubs. But in all other cases, none of the officials interviewed could provide hard data or specific examples of economic development incentives being deliberately tied to transit.

The fact that we were unable to find any positive examples of economic development being integrated with transit highlights the fact that although transportation and development programs greatly affect each other, they remain profoundly balkanized. As states now face their worst fiscal crises since the late 1940s, policymakers would be wise to ensure that each set of programs leverages the other, thereby maximizing the return on taxpayer investments.

## Policy Options

We offer the following policy options based on our findings:

Location Efficient Incentives - Making development subsidies granted in metro areas "location efficient" by restricting their use to

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sites that have access to public transit (typically defined as within a quarter mile, and definitely within a half mile, of a regularly served transit stop). Such a requirement would steer more new jobs to the transit grid; it would also likely help to create more support for transit in suburban areas. Extending existing bus lines or increasing frequency of service is often an efficient and economical way of providing access to jobs and does not require significant up-front capital investments.

**Subsidy Disclosure** - Annual, deal-specific reporting of costs and benefits, including whether or not the project involved a corporate relocation and if so, how many jobs are involved, where the relocation originated and ended, and whether or not each site is transit-accessible. Having meaningful data would enable state and local officials to determine if their development and transit programs are working at cross-purposes.

**Impact Statements** - While a handful of states prohibit subsidies for an intrastate relocation unless it is an expansion, most states do not have any safeguards such as requiring companies that seek relocation subsidies to consult with state or regional authorities or with the city they are abandoning. States could require departing companies to provide impact statements to local governments when subsidized relocations occur, including how many workers are likely to be dislocated, how the relocation will affect future commuting distances and modes of commuting, and whether the new location is accessible via public transit.

The preceding Executive Summary was reprinted with permission from Good Jobs First. Good Jobs First helps grassroots groups and policy-makers ensure that economic development subsidies are accountable and effective. For more information on Good Jobs First or to obtain a copy of the full study text, go to: [www.goodjobsfirst.org](http://www.goodjobsfirst.org)

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portation service. The vision is one of a multi-parish, multi-state agency funding mechanism to provide service in Northeast Louisiana.

The folks at the meeting were cautiously optimistic about the possibilities. The caution is borne out of the knowledge that like all rural public transportation operations across the state, local matching funds are a heavy burden. LaDOTD can provide operating funds on a 50/50 matching basis. DSS funds can offset some of the required 50% local match; the rest is up to the locals to provide.

It was agreed at the meeting that an effort like this would be best postponed until after elections in November. The "rest of the story" will come as meeting participants begin to push the idea of a regional rural public transportation program in 2004.



## From Capital Hill...

On November 12th, the Senate Environment and Public Works Committee (EPW) drew up recommendations for the reauthorization of TEA-21. The EPW Committee is responsible for the federal highway and transportation planning programs under TEA-21 and related bills... On November 19th, the House released its version of the reauthorization bill called TEA LU, for Transportation Equity Act: A Legacy for Users. More can be found on the latter at: [www.transportation.org](http://www.transportation.org)



# Conference Highlights

Food...



Close...

More food.



Closer...



WAY TOO CLOSE!



On the Boat...



Still on the Boat.

Hard at work...



Worked too hard!

FTA's Peggy Crist gives Awards.



Webster



Terrebonne



Lincoln

Federal partners attend...



State partners too.